

FORM NO. 51-44A  
FEB 1952

CENTRAL INTELLIGENCE AGENCY

CLASSIFICATION

SECRET

25X1

25X1

25X1

INFORMATION REPORT

REPORT NO.

CD NO.

REFERENCE COPY  
DO NOT CIRCULATE

COUNTRY Hungary/USSR/Bulgaria

DATE DISTR. 3 February 1953

SUBJECT First Hungarian Rubber Plant

NO. OF PAGES 2

DATE OF INFO.

NO. OF ENCLS.  
(LISTED BELOW)

PLACE  
ACQUIRED

SUPPLEMENT TO  
REPORT NO.

25X1

25X1

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE  
OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793  
AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVE-  
LATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS  
PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

1. The First Hungarian Rubber Plant (Első Magyar Ruggyantaárugyár) is the oldest and biggest such Hungarian plant in Budapest. Like all the other industries it is nationalized, and is subordinated to the Ministry of Mining and Energy, i.e. to its division of Unorganic Chemical Industry. Deputy-Minister Louis Tihanyi is responsible for the rubber industry, but according to the Communist Party's criticisms, Mr. Tihanyi, does not fulfill his duties properly. The First Hungarian Rubber Plant suffered in the last months from chronic shortages of raw materials. The Communist Party ordered an investigation and established that those responsible for this default were Emery Vadas, assistant head of a division in the Supreme State Planning Bureau, and Roland Borsodi, technical chief of the said bureau's Material and Goods Interchange Division.
2. The following are the heads of the First Hungarian Rubber Plant: Paul Somogyi is director. (Charles Koszler, who was director until early 1952, has been removed). Technical head is Joseph Németh; his deputy is Stephen Kerekes. Head of the pneumatics division is Ferdinand Schmidt; head of production is Louis Horváth; head of the accounting office is Charles Sennyei.
3. Main products of the plant are large-dimension tractor tires, and tires and tubes for military trucks. Most of the tractor tires are for military use: for artillery vehicles, various tractors, etc. An important portion of the rubber products goes to the USSR. Bulgaria also gets some of it. In the domestic field, the biggest customer is the Csepel Automobile Plant. More than half of all production is in tires and tubes. It is characteristic of the difficulties encountered in production that in the last year the amount of vulcanized waste has doubled. In consequence of downgrading, almost exclusively done by the Soviets, there is a monthly loss of about half a million forints. The Soviets sort out and grade down usually half of the delivered products and then send them

CLASSIFICATION

SECRET

25X1

STATE	X	NAVY	X	NSRB	
ARMY	X	AIR	X	FBI	

SECRET/

25X1

- 2 -

back to the plant; this causes great losses. This attitude of the Soviets is understandable, for much of the products are, indeed, unfit for use: glass-splinters, gravel, etc. are found in the tires. At the beginning of 1951 the proportion of vulcanized waste was 4 percent, at the beginning of 1952 6.5 percent. There are also many complaints against bicycle tires and tubes, whose quality is low.

4. The plant employs at present 40 engineers, but they are not fully or properly utilized. Too many of them are working in administration, where they waste their energies with constant reorganization plans. Because, in the Soviet and Soviet-occupied countries, the slogan is "strictest economizing", these "reorganizations" always aim at some economy. For example, orders were given to stop machine-ironing of automobile tires. This economy backfired since it caused losses. Another difficulty is a result of "production for statistics" (graphicons) prescribed by the Communist Party. There is never sufficient raw material in stock.
5. The machines are old and run down and if the Hungarian workers were not good mechanics they would not be working at all. The whole plant is old, and run down; since the Soviet occupation nothing has been improved and everything neglected. The once clean plant is now very dirty. The moving of materials inside the plant is in such bad condition that often the best Stakhanovists have to wait idly for hours. The CP is dissatisfied with the discipline and "enthusiasm" of the workers; in fact they show no enthusiasm at all and do everything they can to slow down production. Smooth, good quality production could not be achieved even by the strictest discipline, for there is an acute shortage in all kinds of raw materials, raw rubber, hemp-ropes, woven-goods (clothes), and wires.

SECRET/

25X1